



Annual Audit and Financial Report

City of: _____, _____ County

Borough of: _____, _____ County

Township of: **East Coventry**, **Chester** County

Municipality of: _____, _____ County

for the year 2010



Return to:

PA Department of Community and Economic Development
Governor's Center for Local Government Services
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, Pennsylvania 17120-0225

Commonwealth of Pennsylvania
Edward G. Rendell, Governor
www.state.pa.us

PA Dept. of Community & Economic Development
Dennis Yablonsky, Secretary
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DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT



C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	1 and 2
FINANCIAL STATEMENTS	
Balance sheet	3
Statement of revenues and expenditures	4-10
Notes to financial statements	11-26
Schedules of funding progress	27
SUPPLEMENTARY INFORMATION	
Debt statement	28
Statement of capital expenditures	29



INDEPENDENT AUDITOR'S REPORT

**To the Board of Supervisors
East Coventry Township
Chester County, Pennsylvania**

We have audited the accompanying financial statements of East Coventry Township, Chester County, Pennsylvania, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of East Coventry Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, East Coventry Township prepares its financial statements on a basis of accounting and presentation, which differs from accounting principles generally accepted in the United States of America. Specifically, East Coventry Township records assets, liabilities, revenues and expenditures on a variation of the cash basis of accounting, and the financial statement presentation does not meet the requirements of the following Governmental Accounting Standards Board (GASB) pronouncements: (1) Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, (2) Statement No. 37, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments: Omnibus* and (3) Statement No. 38, *Certain Financial Statement Note Disclosures*.

In our opinion, because East Coventry Township did not adopt the pronouncements described above, and because the financial statements report assets, liabilities, revenues and expenditures on a basis of accounting that differs from accounting principles generally accepted in the United States of America, the financial statements referred to above do not purport to, and do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position or cash flows thereof for the year then ended.

[illegible]

The required supplementary information on Page 27 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation on the required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of East Coventry Township. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Reinal Kuntz Lesher LLP

Wyomissing, Pennsylvania
March 23, 2011

Balance Sheet December 31, 2010

Assets and Other Debits		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120	Cash and Investments	\$ 586,829	\$ 682,386	\$ 149,265	\$ -
140-144	Tax Receivable	-	-	-	-
121-129					
145-149	Accounts Receivable (excluding taxes)	4,339	-	-	-
130	Due From Other Funds	17,388	2,042	-	-
131-139					
150-159	Other Current Assets	-	-	-	-
160-169	Fixed Assets	-	-	-	-
180-189	Other Debits	-	-	-	-
Total Assets and Other Debits		\$ 608,556	\$ 684,428	\$ 149,265	\$ -

Liabilities and Other Credits					
210-229	Payroll Taxes and Other Payroll Withholdings	\$ -	\$ -	\$ -	\$ -
200-209					
231-239	All Other Current Liabilities	15,336	-	-	-
230	Due To Other Funds	39,280	-	-	-
260-269	Long-Term Liabilities	-	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-	-
Total Liabilities and Other Credits		\$ 54,616	\$ -	\$ -	\$ -

Fund and Account Group Equity					
281-284	Contributed Capital	\$ -	\$ -	\$ -	\$ -
290	Investment in General Fixed Assets	-	-	-	-
270-289	Fund Balance/Retained Earnings on 12/31	553,940	684,428	149,265	-
291-299	Other Equity	-	-	-	-
Total Fund and Account Group Equity		\$ 553,940	\$ 684,428	\$ 149,265	\$ -

* The financial position of the pension plan is held in a separate trust and therefore not included on the balance sheet.

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund*	Account Groups		Total
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Memorandum Only
\$ 1,441,032	\$ -	\$ 1,181,919	\$ -	\$ -	\$ 4,041,431
-	-	-	-	-	-
30,105	-	-	-	-	34,444
44,751	-	-	-	-	64,181
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 1,515,888	\$ -	\$ 1,181,919	\$ -	\$ -	\$ 4,140,056

TOTAL ASSETS AND OTHER DEBITS	\$ 4,140,056
--------------------------------------	--------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,179,172	-	-	1,194,508
22,154	-	2,747	-	-	64,181
-	-	-	-	-	-
-	-	-	-	-	-
\$ 22,154	\$ -	\$ 1,181,919	\$ -	\$ -	\$ 1,258,689

TOTAL LIABILITIES AND OTHER CREDITS	\$ 1,258,689
--	--------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,493,734	-	-	-	-	2,881,367
-	-	-	-	-	-
\$ 1,493,734	\$ -	\$ -	\$ -	\$ -	\$ 2,881,367

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 2,881,367
--	--------------

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 4,140,056
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Statement of Revenues and Expenditures December 31, 2010

REVENUES		Governmental Funds			
Taxes		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
301.00	Real Estate Taxes	\$ 1,173,828	\$ 16,912	\$ -	\$ -
305.00	Occupation Taxes (levied under municipal code)	-	-	-	-
308.00	Residence Taxes (levied by cities of the 3rd Class)	-	-	-	-
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	-	-	-	-
310.00	Per Capita Taxes	45,184	-	-	-
310.10	Real Estate Transfer Taxes	190,451	-	-	-
310.20	Earned Income Taxes/Wage Taxes	858,191	-	-	-
310.30	Business Gross Receipts Taxes	-	-	-	-
310.40	Occupation Taxes (levied under Act 511)	-	-	-	-
310.50	Local Services Tax**	54,504	-	-	-
310.60	Amusement/Admission Taxes	-	-	-	-
310.70	Mechanical Device Taxes	-	-	-	-
310.90	Other Local Tax Enabling Act/Act 511 Taxes	-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
Total Taxes		\$ 2,322,158	\$ 16,912	\$ -	\$ -

Licenses and Permits					
320-322	All Other Licenses and Permits	\$ 13,222	\$ -	\$ -	\$ -
321.80	Cable Television Franchise Fees	154,815	-	-	-
Total Licenses and Permits		\$ 168,037	\$ -	\$ -	\$ -

Fines and Forfeits					
330-332	Fines and Forfeits	\$ 28,165	\$ -	\$ -	\$ -
Total Fines and Forfeits		\$ 28,165	\$ -	\$ -	\$ -

Interest, Rents and Royalties					
341.00	Interest Earnings	\$ 1,639	\$ 2,277	\$ 492	\$ -
342.00	Rents and Royalties	4,200	-	-	-
Total Interest, Rents and Royalties		\$ 5,839	\$ 2,277	\$ 492	\$ -

** This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

See Notes to Financial Statements.


Proprietary Funds		Fiduciary Fund		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>	
\$ -	\$ -	\$ -	\$	1,190,740
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	45,184
-	-	-	-	190,451
-	-	-	-	858,191
-	-	-	-	-
-	-	-	-	-
-	-	-	-	54,504
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$	2,339,070


\$ -	\$ -	\$ -	\$	13,222
-	-	-	-	154,815
\$ -	\$ -	\$ -	\$	168,037


\$ -	\$ -	\$ -	\$	28,165
\$ -	\$ -	\$ -	\$	28,165

\$ 3,416	\$ -	\$ -	\$	7,824
-	-	-	-	4,200
\$ 3,416	\$ -	\$ -	\$	12,024

Statement of Revenues and Expenditures December 31, 2010

Intergovernmental Revenues		Governmental Funds			
Federal		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
351.03	Highways and Streets	\$ -	\$ -	\$ -	\$ -
351.09	Community Development	-	-	-	-
351.00	All Other Federal Capital and Operating Grants	-	-	-	-
352.01	National Forest	-	-	-	-
352.00	All Other Federal Shared Revenue and Entitlements	-	-	-	-
353.00	Federal Payments in Lieu of Taxes	-	-	-	-
Total Federal		 \$ -	\$ -	\$ -	\$ -

State					
354.03	Highway and Streets	\$ 24,734	\$ -	\$ -	\$ -
354.09	Community Development	-	-	-	-
354.15	Recycling/Act 101	-	-	-	-
354.00	All Other State Capital and Operating Grants	-	-	-	-
355.01	Public Utility Realty Tax (PURTA)	3,095	-	-	-
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback	-	159,823	-	-
355.04	Alcoholic Beverage Licenses	-	-	-	-
355.05	General Municipal Pension System State Aid	67,932	-	-	-
355.07	Foreign Fire Insurance Tax Distribution	46,593	-	-	-
355.08	Local Share Assessment/Gaming Proceeds	-	-	-	-
355.00	All Other State Shared Revenues and Entitlements	-	-	-	-
356.00	State Payments in Lieu of Taxes	-	-	-	-
Total State		 \$ 142,354	\$ 159,823	\$ -	\$ -

Local Government Units					
357.03	Highways and Streets	\$ -	\$ -	\$ -	\$ -
357.00	All Other Local Governmental Units Capital and Operating Grants	-	-	-	-
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	11,310	-	-	-
359.00	Local Governmental Units, Authorities Payments and Payments in Lieu of Taxes	-	-	-	-
Total Local Government Units		 \$ 11,310	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ -	\$ -	\$ -	\$ 24,734
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	3,095
-	-	-	159,823
-	-	-	-
-	-	-	67,932
-	-	-	46,593
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 302,177

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	11,310
-	-	-	-
\$ -	\$ -	\$ -	\$ 11,310

TOTAL INTERGOVERNMENTAL REVENUES	\$ 313,487
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Statement of Revenues and Expenditures December 31, 2010

REVENUES		Governmental Funds			
Charges for Service		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
361.00	General Government	\$ 188,219	\$ -	\$ 16,250	\$ -
362.00	Public Safety	133,956	-	-	-
363.20	Parking	-	-	-	-
363.00	All Other Charges for Highway and Streets Services	-	23,264	-	-
364.10	Wastewater/Sewage Charges	-	-	-	-
364.30	Solid Waste Collection and Disposal Charge (trash)	-	-	-	-
364.60	Host Municipality Benefit Fee for Solid Waste Facility	-	-	-	-
364.00	All Other Charges for Sanitation Services	-	-	-	-
365.00	Health	-	-	-	-
366.00	Human Services	-	-	-	-
367.00	Culture and Recreation	5,424	-	-	-
368.00	Airports	-	-	-	-
369.00	Bars	-	-	-	-
370.00	Cemeteries	-	-	-	-
372.00	Electric System	-	-	-	-
373.00	Gas System	-	-	-	-
374.00	Housing System	-	-	-	-
375.00	Markets	-	-	-	-
377.00	Transit Systems	-	-	-	-
378.00	Water System	-	-	-	-
379.00	All Other Charges for Service	7,455	-	-	-
Total Charges for Service		\$ 335,054	\$ 23,264	\$ 16,250	\$ -

Unclassified Operating Revenues					
383.00	Assessments	\$ -	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property)	-	-	-	-
387.00	Contributions and Donations from Private Sectors	7,600	6,133	-	-
388.00	Fiduciary Fund Pension Contributions	-	-	-	-
389.00	All Other Unclassified Operating Revenues	-	-	-	-
Total Unclassified Operating Revenues		\$ 7,600	\$ 6,133	\$ -	\$ -

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Disposition	\$ 3,152	\$ -	\$ -	\$ -
392.00	Interfund Operating Transfers	-	-	-	-
393.00	Proceeds of General Long-Term Debt	-	-	-	-
394.00	Proceeds of Short-Term Debt	300,000	-	-	-
395.00	Refunds of Prior Year Expenditures	6,465	-	-	-
Total Other Financing Sources		\$ 309,617	\$ -	\$ -	\$ -

TOTAL REVENUES		\$ 3,330,134	\$ 208,409	\$ 16,742	\$ -
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See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 204,469
-	-	-	133,956
-	-	-	-
-	-	-	23,264
642,618	-	-	642,618
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	5,424
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	7,455
\$ 642,618	\$ -	\$ -	\$ 1,017,186

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	13,733
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 13,733

\$ -	\$ -	\$ -	\$ 3,152
-	-	-	-
-	-	-	-
-	-	-	300,000
-	-	-	6,465
\$ -	\$ -	\$ -	\$ 309,617

\$ 646,034	\$ -	\$ -	\$ 4,201,319
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Statement of Revenues and Expenditures December 31, 2010

EXPENDITURES		Governmental Funds			
General Government		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
400.00	Legislative (Governing) Body	\$ 18,201	\$ -	\$ -	\$ -
401.00	Executive (Manager or Mayor)	94,656	-	-	-
402.00	Auditing Services/Financial Administration	54,068	-	-	-
403.00	Tax Collection	70,096	-	-	-
404.00	Solicitor/Legal Services	144,685	-	-	-
405.00	Secretary/Clerk	50,031	-	-	-
406.00	Other General Government Administration	32,231	-	-	-
407.00	IT-Networking Services - Data Processing	14,171	-	-	-
408.00	Engineering Services	183,063	-	-	-
409.00	General Government Buildings and Plant	46,999	-	-	-
Total General Government		\$ 708,201	\$ -	\$ -	\$ -

Public Safety					
410.00	Police	\$ 772,133	\$ -	\$ -	\$ -
411.00	Fire	77,116	6,912	-	-
412.00	Ambulance/Rescue	-	-	-	-
413.00	UCC and Code Enforcement	79,576	-	-	-
414.00	Planning and Zoning	83,685	-	-	-
415.00	Emergency Management and Communications	473	-	-	-
416.00	Militia and Armories	-	-	-	-
417.00	Examination of Licensed Occupations	-	-	-	-
418.00	Public Scales (weights and measures)	-	-	-	-
419.00	Other Public Safety	-	-	-	-
Total Public Safety		\$ 1,012,983	\$ 6,912	\$ -	\$ -

Health and Human Services					
420.00-425.00	Health and Human Services	\$ 5,426	\$ -	\$ -	\$ -

Public Works - Sanitation					
426.00	Recycling Collection and Disposal	\$ -	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal (trash)	-	-	-	-
428.00	Weed Control	-	-	-	-
429.00	Wastewater/Sewage Collection and Treatment	-	-	20,000	-
Total Public Works - Sanitation		\$ -	\$ -	\$ 20,000	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 18,201
-	-	-	94,656
-	-	-	54,068
-	-	-	70,096
-	-	-	144,685
-	-	-	50,031
-	-	-	32,231
-	-	-	14,171
-	-	-	183,063
-	-	-	46,999
\$ -	\$ -	\$ -	\$ 708,201

\$ -	\$ -	\$ -	\$ 772,133
-	-	-	84,028
-	-	-	-
-	-	-	79,576
162	-	-	83,847
-	-	-	473
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 162	\$ -	\$ -	\$ 1,020,057

\$ -	\$ -	\$ -	\$ 5,426
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\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
258,062	-	-	278,062
\$ 258,062	\$ -	\$ -	\$ 278,062

Statement of Revenues and Expenditures December 31, 2010

EXPENDITURES		Governmental Funds			
Public Works - Highways and Streets		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
430.00	General Services - Administration	\$ 198,303	\$ 3,374	\$ -	\$ -
431.00	Cleaning of Streets and Gutters	-	-	-	-
432.00	Winter Maintenance - Snow Removal	-	18,725	-	-
433.00	Traffic Control Devices	-	56,363	-	-
434.00	Street Lighting	-	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-	-
436.00	Storm Sewers and Drains	-	6,157	-	-
437.00	Repairs of Tools and Machinery	-	19,729	-	-
438.00	Maintenance and Repairs of Roads and Bridges	-	33,891	-	-
439.00	Highway Construction and Rebuilding Projects	-	95,475	14,365	-
Total Public Works - Highways and Streets		\$ 198,303	\$ 233,714	\$ 14,365	\$ -

Public Works - Other Services					
440.00	Airports	\$ -	\$ -	\$ -	\$ -
441.00	Cemeteries	-	-	-	-
442.00	Electric System	-	-	-	-
443.00	Gas System	-	-	-	-
444.00	Markets	-	-	-	-
445.00	Parking	-	-	-	-
446.00	Storm Water and Flood Control	-	-	-	-
447.00	Transit System	-	-	-	-
448.00	Water System	-	-	-	-
449.00	Water Transport and Terminals	-	-	-	-
Total Public Works - Other Services		\$ -	\$ -	\$ -	\$ -

Culture and Recreation					
451.00	Culture-Recreation Administration	\$ -	\$ -	\$ -	\$ -
452.00	Participant Recreation	46,513	-	-	-
453.00	Spectator Recreation	-	-	-	-
454.00	Parks	-	-	-	-
455.00	Shade Trees	-	-	-	-
456.00	Libraries	-	-	-	-
457.00	Civil and Military Celebrations	-	-	-	-
458.00	Senior Citizens' Centers	-	-	-	-
459.00	All Other Culture and Recreation	11,278	-	-	-
Total Culture and Recreation		\$ 57,791	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 201,677
-	-	-	-
-	-	-	18,725
-	-	-	56,363
-	-	-	-
-	-	-	-
-	-	-	6,157
-	-	-	19,729
-	-	-	33,891
-	-	-	109,840
\$ -	\$ -	\$ -	\$ 446,382

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ -	\$ -	\$ -	\$ -
-	-	-	46,513
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	11,278
\$ -	\$ -	\$ -	\$ 57,791

Statement of Revenues and Expenditures December 31, 2010

EXPENDITURES		Governmental Funds			
Community Development		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
461.00	Conservation of Natural Resources	\$ -	\$ -	\$ -	\$ -
462.00	Community Development and Housing	-	-	-	-
463.00	Economic Development	-	-	-	-
464.00	Economic Opportunity	-	-	-	-
465.00 -					
469.00	All Other Community Development	3,000	-	-	-
Total Community Development		\$ 3,000	\$ -	\$ -	\$ -

Debt Service					
471.00	Debt Principal (short-term and long-term)	\$ 364,150	\$ -	\$ -	\$ -
472.00	Debt Interest (short-term and long-term)	37,975	-	-	-
475.00	Fiscal Agent Fees	-	-	-	-
Total Debt Service		\$ 402,125	\$ -	\$ -	\$ -

Employer Paid Benefits and Withholding Items					
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ 80,124	\$ -	\$ -	\$ -
482.00	Judgments and Losses	-	-	-	-
483.00	Pension/Retirement Fund Contributions	149,687	-	-	-
484.00	Workers Compensation Insurance	-	-	-	-
487.00	Group Insurance and Other Benefits	277,521	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ 507,332	\$ -	\$ -	\$ -

Insurance					
486.00	Insurance, Casualty and Surety	\$ 46,433	\$ -	\$ -	\$ -

Unclassified Operating Expenditures					
488.00	Fiduciary Fund Benefits and Refunds Paid	\$ -	\$ -	\$ -	\$ -
489.00	All Other Unclassified Expenditures	-	-	-	-
Total Unclassified Operating Expenditures		\$ -	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	3,000
\$ -	\$ -	\$ -	\$ 3,000

\$ 215,902	\$ -	\$ -	\$ 580,052
320,985	-	-	358,960
-	-	-	-
\$ 536,887	\$ -	\$ -	\$ 939,012

\$ -	\$ -	\$ -	\$ 80,124
-	-	-	-
-	-	-	149,687
-	-	-	-
-	-	-	277,521
\$ -	\$ -	\$ -	\$ 507,332

\$ -	\$ -	\$ -	\$ 46,433
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\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31, 2010

EXPENDITURES		Governmental Funds			
Other Financing Uses		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
491.00	Refund of Prior Year Revenues	\$ -	\$ -	\$ -	\$ -
492.00	Interfund Operating Transfers	8,445	-	-	-
493.00	All Other Financing Uses	-	-	-	-
Total Other Financing Uses		\$ 8,445	\$ -	\$ -	\$ -

TOTAL EXPENDITURES	\$ 2,950,039	\$ 240,626	\$ 34,365	\$ -
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 380,095	\$ (32,217)	\$ (17,623)	\$ -
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See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ -	\$ -
-	-	-	8,445
-	-	-	-
\$ -	\$ -	\$ -	\$ 8,445

\$ 795,111	\$ -	\$ -	\$ 4,020,141
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\$ (149,077)	\$ -	\$ -	\$ 181,178
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EAST COVENTRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of activity:

East Coventry Township, Chester County, Pennsylvania (the "Township"), has an approximate population of 4,500, based on a 2000 census report, living within an area of 11.0 square miles. The Township is located in the northern portion of Chester County, within the southeastern quadrant of the Commonwealth of Pennsylvania.

A summary of the Township's significant accounting policies follows:

The accompanying primary government financial statements conform to the modified cash basis of accounting as applicable to governmental units. The following is a summary of the more significant accounting policies used by the Township.

A. THE FINANCIAL REPORTING ENTITY

The Township is a Pennsylvania Second Class Township which operates under a Board of Supervisors form of government. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the Township. There are no agencies or entities which should be presented with the Township.

B. BASIS OF PRESENTATION

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

B. BASIS OF PRESENTATION (CONTINUED)

The various funds of the Township are grouped in the primary government financial statements in this report as follows:

Governmental fund types:

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use and balances of the Township's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the Township's governmental fund types:

General Fund - is the primary operating fund of the Township. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The principal activities accounted for in the General Fund are general government, public safety, public works and recreation. These activities are funded principally by property taxes, state shared taxes and funds from other governmental units.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Township. The reporting entity includes the following special revenue funds:

State Liquid Fuels Highway Aid Fund - is used to account for the proceeds from the State Motor License Fund. Under the Act of June 1, 1956, P.L. 1944, No. 145, this Fund must be kept separate from all other funds and no other funds shall be commingled with this Fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations. Liquid fuels tax payments to the local government are accounted for in this Fund.

Traffic Impact Fee Fund - is used to account for activities related to the costs of projects identified in the Act 209 Transportation Improvement Plan. Monies are received as transportation impact fees from developments and other new construction generating additional traffic in the Township.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

B. BASIS OF PRESENTATION (CONTINUED)

Governmental fund types (continued):

Special Revenue Funds (continued):

Fire Hydrant Fund - is used to account for monies collected from an assessment on all properties within 780 feet of a fire hydrant (except farmland and private airports) to cover the cost of fire protection provided through fire hydrants.

Capital Projects Fund - is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special revenue funds and trust funds). The reporting entity includes the following capital project fund:

Capital Reserve Fund - is used to account for various capital projects and purchases that have a useful life of five years or greater and that generally are very costly. This fund receives the majority of its income from transfer of monies from the General Fund.

Proprietary fund types:

Enterprise Funds - are used to account for the Township's operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The measurement focus is upon determination of net income. The reporting entity includes the following enterprise funds:

Sewer Operating Fund - is used to account for receipt of sewer user charges. Major expenditures in this fund consist of operation of the sewer system, which is operated as a public utility and loan repayment.

Sewer Capital Fund - is used to account for receipt of sewer connection fees and expenses related to the construction, engineering and professional fees for the sewer system.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

B. BASIS OF PRESENTATION (CONTINUED)

Fiduciary fund types:

Fiduciary Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The following is the Township's fiduciary fund type:

Trust and Agency Funds - Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Escrow Fund - is used to account for the funds received from organizations for the completion of land improvements within the Township's boundaries.

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

Basis of accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the primary government financial statements.

Modified cash basis:

The Township's policy is to prepare its financial statements on a modified cash basis under which only revenues collected and expenditures paid, reimbursable costs receivable and intergovernmental due to and due from receivables and payables are recorded. Under this basis, revenue is recognized when collected rather than when earned, and expenditures are generally recognized when paid rather than when the related liability is incurred. Consequently, other receivables, other payables, inventories, long-lived assets, accrued income and expenses, and amortization and depreciation, which may be material in amount, are not reflected in the accompanying primary government financial statements, which are not intended to present the financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (CONTINUED)

Measurement focus:

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Government funds are accounted for on a spending or "financial flow" measurement focus. Governmental fund type operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary funds and nonexpendable trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in equity.

D. ASSETS AND LIABILITIES

Cash:

For the purpose of financial reporting, cash includes all demand and savings accounts and certificates of deposits.

Due to and from other funds:

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital assets:

Purchased capital assets are recorded as expenditures in the governmental fund types. Proprietary fund type capital assets are recorded as expenditures in the fund in which they are utilized. Infrastructure assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are recorded as expenditures in the fund types expending the funds.

Long-term debt:

Debt proceeds from issuance of long-term debt are reported as other financing sources, and the payment of principal and interest is reported as expenditures in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

D. ASSETS AND LIABILITIES (CONTINUED)

Compensated absences:

Compensated absences for vacation and sick leave are recorded as paid.

E. EQUITY

Fund balances:

Fund balances of governmental fund types and nonexpendable trust and pension trust funds are classified in two components:

Restricted fund balance consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors or law and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted fund balance is all other net assets that do not meet the definition of "restricted." These assets are available for appropriation and expenditure in future periods.

It is the Township's policy to first use restricted net assets prior to the use of unrestricted net assets when an expenditure is incurred for purposes for which both reserved and unreserved fund balances are available.

F. REVENUES AND EXPENDITURES

Revenues:

Except for revenue related to reimbursement of certain costs, revenues are recognized when received.

Property taxes:

The Township is permitted by state law to levy taxes up to 14 mills of assessed valuation for general purposes. State law also permits additional millage to be levied for specific purposes as defined in the law. The millage rate levied by the Township for 2010 was 3 mills for general obligations and .12 mills for fire protection, as established by the Board of Supervisors. Current tax collections for the Township were approximately 97% of the total tax levy.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

F. REVENUES AND EXPENDITURES (CONTINUED)

Property taxes (continued):

The Township's real estate taxes are based on assessed values established by the County's Board of Assessments. The taxes are collected by an elected or appointed local tax collector. Real estate taxes attach an enforceable lien on property when levied on February 1. A discount of 2% is applied to payments made prior to April 1. A penalty of 10% is added to the face amount of taxes paid after May 31. The Chester County Tax Claim Bureau collects delinquent real estate taxes on behalf of itself and other taxing authorities. Return of unpaid real estate taxes to the County Tax Claim Bureau is made by February 28 of the subsequent year.

Intergovernmental revenues:

Intergovernmental revenues represent revenues received from the Commonwealth of Pennsylvania, federal agencies and local governmental units generally to fund specific programs and are recognized when received.

Expenditures/expenses:

Expenditures and expenses are recognized when paid.

G. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

Interfund reimbursements:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

A summary of the Township's significant accounting policies follows (continued):

G. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES (CONTINUED)

Interfund transfers:

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2. Budget Matters

The Board of Supervisors annually adopts a budget for the General Fund, State Liquid Fuels Highway Aid Fund, Traffic Impact Fee Fund, Fire Hydrant Fund, Capital Reserve Fund, Sewer Operating Fund and Sewer Capital Fund. Budgetary control is legally maintained at the fund level.

The Second Class Township Code provides for the modification of the budget and supplemental appropriations and transfers.

Appropriations, except open project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements.

Budget amounts are not presented in the accompanying financial statements.

Note 3. Stewardship, Compliance and Accountability

Compliance with finance-related legal and contractual provisions:

The Township had no material violations of finance-related legal and contractual provisions.

NOTES TO FINANCIAL STATEMENTS

Note 3. Stewardship, Compliance and Accountability (Continued)

Excess of expenditures over appropriations in individual funds:

No individual fund, which was budgeted as required by the Commonwealth of Pennsylvania, contained an excess of expenditures over appropriations that was not covered by the cash balance at December 31, 2009 and the cash received for the year ended December 31, 2010.

For the year ended December 31, 2010, expenditures exceeded appropriations at the legal level of control in individual funds as follows:

Capital Reserve Fund	\$ 14,365
Traffic Impact Fee Fund	36,811
Sewer Operating Fund	12,934

Note 4. Deposits

The Township's available cash is invested in demand deposit accounts and certificates of deposit. The carrying amounts of cash at December 31, 2010 consist of the following:

Deposits with financial institutions	\$ 4,038,076
Certificate of deposit	<u>3,355</u>
	<u>\$ 4,041,431</u>

Custodial credit risk - deposits:

Custodial credit risk is the risk that, in the event of a financial institution failure, the Township's deposits may not be returned. The Pennsylvania Government Code and the Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: Pennsylvania Act 72 requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

At December 31, 2010, the carrying amount of the Township's bank deposits was \$4,041,431; and the corresponding bank balances were \$4,059,039 of which \$500,000 was covered by Federal Depository Insurance. The remaining \$3,559,039 of deposits was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

NOTES TO FINANCIAL STATEMENTS

Note 5. Tax Revenue Anticipation Note

During 2010, the Township issued and repaid a tax revenue anticipation note in the amount of \$ 300,000 with a stated interest rate of 60% of the Wall Street Prime Rate with a maximum of 6%.

Note 6. Long-Term Debt

At December 31, 2010, long-term debt consisted of the following:

	Balance Outstanding December 31, 2009	Payments	Balance Outstanding December 31, 2010
2004 General Obligation Note, initial issue of \$ 1,000,000, interest rate of 3.87% until December 15, 2009, and thereafter at a rate equal to 60% of the Wall Street Prime Rate, subject to rate ceilings as specified in the Loan Agreement through 2023	\$ 670,723	\$ 34,600	\$ 636,123
2000 General Obligation Note, initial issue of \$ 632,500, interest rate of 5.50% through 2020	425,418	29,550	395,868
2007 Guaranteed Sewer Revenue Note, initial issue of \$ 7,825,000, initial interest rate of 4.23%, to adjust at each five-year period at the then prevailing "Bank Qualified" Tax Exempt rate, with a floor of 4% and a ceiling of 15% through 2032	<u>7,668,563</u>	<u>215,902</u>	<u>7,452,661</u>
	<u>\$ 8,764,704</u>	<u>\$ 280,052</u>	<u>\$ 8,484,652</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Debt (Continued)

Aggregate maturities required on long-term debt at December 31, 2010 are as follows:

	Principal	Interest	Total Debt Service
2011	\$ 293,197	\$ 334,780	\$ 627,977
2012	306,935	332,603	639,538
2013	321,389	319,864	641,253
2014	336,481	306,537	643,018
2015	350,736	292,612	643,348
2016-2020	2,010,568	1,230,729	3,241,297
2021-2025	2,022,606	819,227	2,841,833
2026-2030	2,306,375	378,060	2,684,435
2031-2033	<u>536,365</u>	<u>14,622</u>	<u>550,987</u>
	<u>\$ 8,484,652</u>	<u>\$ 4,029,034</u>	<u>\$12,513,686</u>

Substantially all of the Township's assets are pledged as collateral to the long-term debt.

Note 7. Interfund Balances

The composition of interfund balances as of December 31, 2010 is as follows:

	Due To	Due From
General Fund	\$ 17,388	\$ 39,280
Special Revenue Funds	2,042	-
Proprietary Funds	44,751	22,154
Fiduciary Funds	<u>-</u>	<u>2,747</u>
	<u>\$ 64,181</u>	<u>\$ 64,181</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plans

The Township administers and contributes to two defined benefit pension plans: the East Coventry Township Police Pension Plan and the East Coventry Township Nonuniformed Pension Plan. The assets of the Plans are invested separately and each Plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the Plan.

Valuation of investments:

All investments of the pension plans are reported at fair value based on quoted market values.

Plan description and contributions:

East Coventry Township Police Pension Plan:

Plan description:

The East Coventry Township Police Pension Plan (the "Police Plan") is a single-employer defined benefit pension plan administered by the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office. The Police Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the Plan.

Contributions:

Act 205 requires that annual contributions be based upon the Police Plans' Minimum Municipal Obligation (MMO). The MMO is based upon the Police Plan's biennial actuarial valuation. In accordance with the Police Plan's governing resolution, members are not required to contribute to the Police Plan. The Police Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Township in accordance with Act 205.

1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
10	1
11	1
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99	1
100	1

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plans (Continued)

Annual pension cost and net pension obligation (asset):

The Township's annual pension cost and net pension obligation (asset) to the pension plans for the current year are as follows:

	Police Plan	Nonuniformed Plan
Annual required contribution	\$ 102,702	\$ 46,985
Adjustment to annual required contribution	<u>-</u>	<u>-</u>
Annual pension cost	102,702	46,985
Contributions made	<u>(102,702)</u>	<u>(46,985)</u>
Change in net pension obligation (asset)	-	-
Net pension obligation (asset) beginning of year	<u>-</u>	<u>-</u>
Net pension obligation (asset) end of year	<u>\$ -</u>	<u>\$ -</u>

East Coventry Township Police Pension Plan:

The annual required contribution for the current year was determined as part of the January 1, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 6.00% investment rate of return, net of expenses and (b) projected salary increases of 3.00% for inflation plus age-related scale for merit/seniority. Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the Plan and funded through investment earnings. The actuarial value of assets was determined by market value.

Three-year trend information:

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/08	\$ 90,496	100%	\$ -
12/31/09	98,028	100%	-
12/31/10	102,702	100%	-

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plans (Continued)

Annual pension cost and net pension obligation (asset) (continued):

East Coventry Township Nonuniformed Pension Plan:

The annual required contribution for the current year was determined as part of the January 1, 2009 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 6.00% investment rate of return, net of expenses and (b) projected salary increases of 3.00% for inflation plus age-related scale for merit/seniority. Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the Plan and funded through investment earnings. The actuarial value of assets was determined by market value.

Three-year trend information:

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/08	\$ 23,155	100%	\$ -
12/31/09	40,502	100%	-
12/31/10	46,985	100%	-

Funded status and funding progress:

The funded status of the Township's Police Plan as of January 1, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 827,828	\$ 971,900	\$ 144,072	85%	\$ 567,924	25%

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plans (Continued)

Funded status and funding progress (continued):

The funded status of the Township's Nonuniformed Plan as of January 1, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Overfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 691,128	\$ 668,366	\$ (22,762)	103%	\$ 426,101	(5%)

The Schedules of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information about the funded status is prepared using the entry age normal actuarial cost method.

Note 9. Concentration of Labor

The Township entered into a collective bargaining agreement with the East Coventry Police Association through December 31, 2013. Of the Township's total workforce, approximately 40% is covered by the agreement.

Note 10. Subsequent Events

The Township has evaluated subsequent events through March 23, 2011. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2010 were noted.

EAST COVENTRY TOWNSHIP
SCHEDULES OF FUNDING PROGRESS

East Coventry Township Police Pension Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
January 1, 2005	\$ 414,110	\$ 422,447	\$ 8,337	98%
January 1, 2007	569,960	644,349	74,389	88%
January 1, 2009	827,828	971,900	144,072	85%

East Coventry Township Nonuniformed Pension Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Overfunded) Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
January 1, 2005	\$ 428,773	\$ 388,691	\$ (40,082)	110%
January 1, 2007	514,090	522,032	7,942	98%
January 1, 2009	691,128	668,366	(22,762)	103%

See Notes to Financial Statements.

	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$	376,665	2%
	482,762	15%
	567,924	25%

	Covered Payroll (c)	(OAAL) UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$	288,500	(14%)
	347,511	2%
	426,101	(5%)

DEBT STATEMENT											
Purpose	Bond (B) Note (N)	Issue Date (Year)	Maturity Date (Year)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year (Additions)	Principal Paid This Year	Current Year Accretion of Compound Interest Bonds	Outstanding Year-End (1)	Plus (Less) Unamortized Premium (Discount)	Total Balance
GENERAL OBLIGATION BONDS AND NOTES:											
General Obligation Note	N	2004	2023	\$ 1,000,000	\$ 670,723	\$ -	\$ 34,600	\$ -	\$ 636,123	\$ -	\$ 636,123
General Obligation Note	N	2000	2020	632,500	425,418	-	29,550	-	395,868	-	395,868
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
REVENUE BONDS AND NOTES:											
Sewer Note	N	2007	2032	7,825,000	7,668,563	-	215,902	-	7,452,661	-	7,452,661
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
LEASE RENTAL DEBT/GENERAL LEASES:											
None.				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
OTHER:											
Tax Anticipation Note	N	2010	2010	300,000	-	300,000	300,000	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
Total bonds and notes outstanding											\$ 8,484,652
Capitalized lease obligations											-
Other debt											-
TOTAL OUTSTANDING DEBT											\$ 8,484,652

STATEMENT OF CAPITAL EXPENDITURES

Category	Capital Purchases	Capital Construction	Total
Electric	\$ -	\$ -	\$ -
Fire	-	-	-
Gas System	-	-	-
General Government	2,461	-	2,461
Health	-	-	-
Housing	-	-	-
Libraries	-	-	-
Mass Transit	-	-	-
Parks	-	-	-
Police	23,813	-	23,813
Recreation	-	-	-
Sewer	627	20,000	20,627
Solid Waste	-	-	-
Streets/Highways	2,144	109,375	111,519
Water	-	-	-
Other (Please Specify)	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-

TOTAL CAPITAL EXPENDITURES

\$ 158,420

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year
(including all employees and elected officials)*

\$ 1,081,581

* USE INCOME FROM BOX 16 ON THE W-3 STATEMENT

